

Message Text

PAGE 01 STATE 152840

51

ORIGIN EUR-08

INFO OCT-01 SS-14 ISO-00 USIA-01 L-01 CU-02 EB-03 SP-02

PRS-01 MMS-01 /034 R

DRAFTED BY EUR/EE:TEDEAL:FEW
APPROVED BY C - MR. SONNENFELDT
EB/OT - MR. SCHMIDT
EUR - MR. ARMITAGE
USIA - MR. BROWN
COMMERCE - MR. ELLIS
L - MR. KWIATEK
S/S - MR. BORG
CU/EE - MR. HACKER

----- 104211

R 280245Z JUN 75
FM SECSTATE WASHDC
TO AMEMBASSY PRAGUE
INFO USMISSION GENEVA

S E C R E T STATE 152840

LIMDIS

E.O. 11652: GDS

TAGS: PFOR, CZ, US

SUBJECT:ANNUAL POLICY ASSESSMENT FOR CZECHOSLOVAKIA

GENEVA FOR AMBASSADOR SHERER

REFS.: PRAGUE 698, PRAGUE A-61

1. AN INTERAGENCY GROUP HAS REVIEWED THE EMBASSY'S ANNUAL
POLICY ASSESSMENT FOR CZECHOSLOVAKIA. WE COMMEND THE
EMBASSY ON A THOROUGH AND THOUGHTFUL SUBMISSION. OUR COM-
MENTS ABOUT THE GENERAL POLICY OBJECTIVES, THE EMBASSY'S
ANALYSIS OF THE CURRENT SITUATION IN CZECHOSLOVAKIA, AND
SECRET

PAGE 02 STATE 152840

PROPOSED COURSES OF ACTION DURING 1975 FOLLOW BELOW.

2. POLICY OBJECTIVES

THE 1973 EUROPARA FOR CZECHOSLOVAKIA STATES THAT "THE PRIMARY US INTEREST IN THIS AREA IS THE EVOLUTION OF THE INDIVIDUAL STATES, POLAND, CZECHOSLOVAKIA, AND HUNGARY, INTO MORE INDEPENDENT ENTITIES, MORE RESPONSIVE TO THE INTERESTS OF THEIR PEOPLE AND THE MAINTENANCE OF THE EXISTING IDENTIFICATION OF THE PEOPLES OF THIS AREA WITH THE WEST". THE REVIEW GROUP AGREED THAT THIS WAS STILL OUR ULTIMATE OBJECTIVE IN EASTERN EUROPE, BUT RECOGNIZED THAT PROGRESS

TOWARDS ACHIEVING THAT GOAL IN CZECHOSLOVAKIA MIGHT BE PAINFULLY SLOW. MOREOVER, IN VIEW OF THE DOMINANT SOVIET ROLE IN CZECHOSLOVAKIA, THE US ABILITY TO INFLUENCE DEVELOPMENTS THERE WOULD BE LIMITED AT LEAST FOR THE PRESENT. IN ANY EVENT, ANY ABRUPT SHIFTS IN CZECHOSLOVAK FOREIGN OR DOMESTIC POLICY COULD PROVE DESTABILIZING AND MIGHT BE REGARDED BY THE SOVIETS AS THREATENING THEIR VITAL SECURITY INTERESTS. WHAT THE SOVIETS WILL TOLERATE ON THE SOUTHERN FLANK, THEY WOULD FIND IT MORE DIFFICULT TO ACCEPT IN CENTRAL EUROPE. THUS, RAPID CHANGE IN CZECHOSLOVAKIA IN AN ERA OF DETENTE IS NOT NECESSARILY TO OUR ADVANTAGE.

3. TURNING TO US ECONOMIC INTERESTS IN CZECHOSLOVAKIA, THE GROUP AGREED THAT THE POTENTIAL FOR INCREASED TRADE WAS FAIRLY HIGH, ALTHOUGH PASSAGE OF THE LONG/GRAVEL AMENDMENT WILL CONTINUE TO HOLD IT BACK IN THE SHORT RUN. AN EXPANSION OF TRADE WITH CZECHOSLOVAKIA COULD BE BENEFICIAL NOT ONLY IN TERMS OF THE BENEFITS WE WOULD DERIVE FROM INCREASED EXPORTS, BUT ALSO TO THE EXTENT THAT IT INFLUENCES THE DIRECTION IN WHICH THE CZECHOSLOVAK ECONOMY DEVELOPS. EXPERIENCE ELSEWHERE IN EASTERN EUROPE HAS SHOWN THAT EXPANDING TRADE GENERALLY LEADS TO MORE DIRECT CONTACT BETWEEN FOREIGN FIRMS AND EASTERN EUROPEAN ENTERPRISES. THESE CONTACTS CAN HELP TO ACCELERATE DEVELOPMENT TOWARDS A LESS RIGIDLY CONTROLLED AND CENTRALIZED ECONOMIC MODEL. WE HAVE LONG CONSIDERED THAT ECONOMIC LIBERALIZATION IN EASTERN EUROPE IS IN OUR INTEREST SINCE DECENTRALIZED, MARKET-ORIENTED ECONOMIES MAY FOSTER THE EVOLUTION OF A
SECRET

PAGE 03 STATE 152840

DIVERSIFIED INSTITUTIONAL STRUCTURE LESS SUSCEPTIBLE TO SOVIET MANIPULATION.

4. IN DISCUSSING THESE POLICY OBJECTIVES, THE GROUP RAISED A NUMBER OF QUESTIONS (SEE BELOW) WHICH MIGHT USEFULLY SERVE AS A GUIDE FOR FUTURE EMBASSY REPORTS. SUCH INFORMATION WOULD BE PARTICULARLY HELPFUL IN ASSESSING THE EXTENT TO WHICH LONG-TERM POLICY OBJECTIVES IN CZECHOSLOVAKIA ARE REALISTIC AND ACHIEVABLE.

A. DO THE PUBLICATION OF THE DUBCEK LETTER, THE SMRKOVSKY MEMOIRS AND OTHER DOCUMENTS CRITICAL OF THE PRESENT CZECHOSLOVAK LEADERSHIP REPRESENT A SERIOUS INTERNAL

THREAT? WILL THE REGIME BE WILLING TO RISK FURTHER
DAMAGING ITS INTERNATIONAL IMAGE BY TAKING FIRM ACTION TO
QUIET THE "OPPOSITION"?

B. WHAT IS THE ROLE OF CZECHOSLOVAKIA WITHIN THE
WARSAW PACT? ARE THE CZECHOSLOVAK LEADERS SIMPLY THE
HATCHET MEN FOR THE SOVIETS OR DO THEY ASPIRE TO A MORE
AUTONOMOUS ROLE?

C. WHAT ARE THE VARIOUS ELEMENTS OF CZECHOSLOVAK
FOREIGN POLICY? WE KNOW THAT THE CZECHOSLOVAK LEADERSHIP
FOLLOWS THE SOVIET LEAD ON MOST ISSUES, BUT DOES IT PURSUE
ANY NATIONAL, AS DISTINCT FROM SOVIET-DIRECTED, OBJECTIVES
IN ITS FOREIGN POLICY?

D. WHAT ARE THE PROSPECTS FOR A LIBERALIZATION OF
THE CZECHOSLOVAK ECONOMY? HOW WOULD EFFORTS TO LIBERALIZE
THE ECONOMY AFFECT THE FOREIGN TRADE STRUCTURE?

5. BILATERAL ISSUES

A. IMPROVEMENT OF RELATIONS - THERE CAN BE LITTLE
DOUBT THAT PASSAGE OF THE LONG/GRAVEL AMENDMENT TO THE
TRADE ACT HAS SLOWED PROGRESS IN THE NORMALIZATION OF BI-
LATERAL TIES. HOWEVER, IT SHOULD BE UNDERSTOOD THAT THE
PRINCIPAL OBSTACLE TO IMPROVED RELATIONS IS NOT OUR ACTION
OR INACTION ON ANY PARTICULAR BILATERAL MATTER. RATHER,
IT IS THE COMMUNIST SYSTEM AND, IN PARTICULAR, THE WAY IN
SECRET

PAGE 04 STATE 152840

WHICH THAT SYSTEM FUNCTIONS IN CZECHOSLOVAKIA WHICH STANDS
IN THE WAY OF IMPROVED RELATIONS. THE POLICIES OF THE
PRESENT LEADERSHIP, CHARACTERIZED BY REPRESSION AT HOME
AND SLAVISH ADHERENCE TO SOVIET FOREIGN POLICY OBJECTIVES
ABROAD, ARE THEMSELVES LIMITING FACTORS IN OUR RELATIONS.
THESE THINGS, MORE THAN ANYTHING ELSE, INFLUENCE HOW WE
LOOK AT AND DEAL WITH THE PRESENT CZECHOSLOVAK LEADERSHIP.

IN 1972 BOTH SIDES DECIDED TO UNDERTAKE CERTAIN LIMIT-
ED STEPS TO RESOLVE SEVERAL OUTSTANDING BILATERAL PROBLEMS.
WE WANT TO CONTINUE IN THIS DIRECTION, DESPITE OUR CURRENT
IMPASSE OVER CLAIMS, AND AGREE WITH THE EMBASSY THAT WE
SHOULD BEGIN TO CONSIDER SOME SMALL MEASURES WHICH WOULD
SHOW TO THE CZECHOSLOVAKS WE REMAIN INTERESTED IN IMPROV-
ING OUR RELATIONS. AT THE SAME TIME, WE SHOULD MAKE IT
CLEAR THAT WE WOULD EXPECT THEM TO AVOID TAKING ANY FURTHER
ACTIONS IN RETALIATION FOR OUR FAILURE TO CONCLUDE THE
INITIALED CLAIMS AGREEMENT.

B. CLAIMS - RECONSIDERATION OF THE CLAIMS AGREEMENT
BY CONGRESS REMAINS A PRIME OBJECTIVE. WE HAVE SOME INDI-
CATIONS THAT KEY ELEMENTS IN THE CONGRESS ARE WILLING TO

ACCEPT A LESS THAN FULL SETTLEMENT ON THE OUTSTANDING CLAIMS. ON THE OTHER HAND, WE ARE NOT LIKELY TO GET A MORE CONCRETE DEFINITION OF WHAT MIGHT BE CONSIDERED A SATISFACTORY SETTLEMENT UNTIL CONGRESS HAS FINISHED WITH THE ROMANIAN TRADE AGREEMENT. AS FOR THE JACKSON-VANIK AMENDMENT, CONGRESSIONAL PROSPECTS ARE UNCERTAIN AT BEST. EVEN IF IT SHOULD BE REVISED, HOWEVER, WE WOULD WANT TO CONSIDER CAREFULLY ANY MOVE ON MFN FOR CZECHOSLOVAKIA, TAKING INTO ACCOUNT POLITICAL FACTORS AND NSDM 212 PRIORITIES.

C. DIVIDED FAMILIES - WE AGREE THAT THE EMBASSY SHOULD, ON AN INDIVIDUAL BASIS, BRING DIVIDED FAMILY CASES TO THE ATTENTION OF THE FOREIGN MINISTRY. HOWEVER, WE SHOULD NOT LIMIT OUR REPRESENTATIONS STRICTLY TO THOSE CASES WHERE A CZECHOSLOVAK NATIONAL IS ATTEMPTING TO EMIGRATE TO THE US. WE SHOULD ALSO CALL TO THEIR ATTENTION CASES WHERE US CITIZENS ARE DENIED ENTRY OR WHERE CZECHOSLOVAKS ARE REFUSED EXIT DOCUMENTS FOR A TEMPORARY SECRET

PAGE 05 STATE 152840

VISIT. THE CZECHOSLOVAK RECORD IN BOTH INSTANCES IS BAD AND GETTING WORSE, JUDGED BY THE NUMBER OF COMPLAINTS WE RECEIVE. WE SHOULD TRY TO MAKE THE CZECHOSLOVAK AUTHORITIES UNDERSTAND THAT IT IS IN THEIR INTEREST TO TAKE ACTION TO IMPROVE THEIR RECORD IN THIS AREA PRIOR TO ANY RECONSIDERATION OF THE CLAIMS QUESTION.

D. PRESS COMMENTARY - WE SHOULD CONTINUE TO PROTEST SPECIFIC OBJECTIONABLE PRESS ARTICLES AND MEDIA TREATMENT. BUT, IN ADDITION, THE CZECHOSLOVAKS MUST BE MADE AWARE THAT WHAT THEY SAY ABOUT US IN THEIR PRESS CAN BE A LIMITING FACTOR IN OUR RELATIONS. THEY SHOULD NOT EXPECT US TO SIMPLY IGNORE ATTACKS ON US IN THEIR MEDIA.

E. EXCHANGES AGREEMENT - THE EMBASSY HAS RECOMMENDED THAT WE UNDERTAKE NEGOTIATION OF A CULTURAL-SCIENTIFIC-TECHNICAL AGREEMENT. YET, WE HAVE NO INDICATION FROM THE CZECHOSLOVAK SIDE OF ANY GENUINE INTEREST IN SUCH AN AGREEMENT, PARTICULARLY WHILE THE CLAIMS MATTER REMAINS UNSOLVED. HOW REALISTIC IS IT FOR US TO PROPOSE NEGOTIATIONS ON AN EXCHANGES AGREEMENT IN THE ABSENCE OF A CLAIMS SETTLEMENT?

6. PROPOSED STEPS FOR 1975

A. CLAIMS - WE WILL KEEP UP OUR CONSULTATIONS WITH THE CLAIMANTS AND THEIR LEGAL REPRESENTATIVES ABOUT THE TERMS OF AN ACCEPTABLE SETTLEMENT. WE ALSO NEED TO CLARIFY WHETHER IT WAS THE INTENT OF CONGRESS TO TIE A FUTURE CLAIMS SETTLEMENT TO THE GRANTING OF MFN TO CZECHOSLOVAKIA. AT AN APPROPRIATE TIME WE WOULD EXPECT TO

EXPLORE THESE MATTERS MORE FULLY WITH THE CONGRESS.

B. BRATISLAVA AND CONSULAR CONVENTION - WE SHOULD CONTINUE TO PRESS THE CZECHOSLOVAKS FOR ACTION ON THE CONSULAR CONVENTION AND TO KEEP ALIVE OUR INTEREST IN THE OPENING OF THE CONSULATE GENERAL IN BRATISLAVA. HOWEVER, WE SHOULD NOT PUSH TOO HARD ON BRATISLAVA SINCE WE DO NOT WISH IT TO APPEAR THAT THE CZECHOSLOVAKS ARE DOING US A FAVOR BY ALLOWING THE US TO OPEN A POST IN SLOVAKIA.

SECRET

PAGE 06 STATE 152840

C. CLOSED ZONES - WE WILL BE IN A POSITION SHORTLY TO CONSIDER RECOMMENDING THE MUTUAL ABOLITION OF CLOSED ZONES.

D. EXCHANGES AGREEMENT - WE ARE WILLING TO CONSIDER THE INITIATION OF NEGOTIATIONS ON A CULTURAL AND SCIENTIFIC EXCHANGES AGREEMENT, PROVIDED THAT THE CZECHOSLOVAKS SHARE OUR INTEREST IN CONCLUDING SUCH AN ARRANGEMENT.

E. PRAGOBANK RECORDS - WE PROPOSE THE RETURN OF THESE BANK RECORDS, NOW HELD IN NEW YORK, WHICH THE CZECHOSLOVAKS HAVE SOUGHT FOR YEARS.

F. HIGH-LEVEL VISITS - WE ARE CONSIDERING A VISIT TO CZECHOSLOVAKIA THIS YEAR BY ASSISTANT SECRETARY HARTMAN. ALSO, IF CERTAIN SCHEDULING PROBLEMS CAN BE OVERCOME, WE MAY CONSIDER INVITING A CZECHOSLOVAK DEPUTY FOREIGN TRADE MINISTER TO VISIT WASHINGTON FOR TALKS WITH STATE AND COMMERCE REPRESENTATIVES IN CONNECTION WITH THE SIGNING OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE US AND CZECHOSLOVAK CHAMBERS OF COMMERCE.

7. RESOURCES - FUNDING FOR BRATISLAVA IS ALREADY SET ASIDE IN THE FY 1976 BUDGET AND WILL ALSO BE INCLUDED IN THE FY 1977 SUBMISSION. WITH RESPECT TO EMBASSY ACCESS PROCEDURES, THE EMBASSY SHOULD SUBMIT A RECOMMENDATION TO ADD ONE LOCAL EMPLOYEE AND RELOCATE THE TELEPHONE SWITCHBOARD IN ITS FINANCIAL PLAN FOR THE PROGRAM TO COMBAT TERRORISM. INGERSOLL

SECRET

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: Z
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN POLICY POSITION, ANNUAL REPORTS, POLITICAL SITUATION
Control Number: n/a
Copy: SINGLE
Draft Date: 28 JUN 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE152840
Document Source: ADS
Document Unique ID: 00
Drafter: EUR/EE:TEDEAL:FEW
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Film Number: D750224-1138
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t197506103/baaaaanwp.tel
Line Count: 262
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN EUR
Original Classification: SECRET
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: SECRET
Previous Handling Restrictions: LIMDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 09 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 MAY 2003 by Izenbel0>; APPROVED <26 SEP 2003 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: PFOR, CZ, US
To: PRAGUE INFO GENEVA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006